



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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APPROPRIATIONS SUBCOMMITTEE ALLOCATIONS

SUMMARY

The House Committee on Appropriations adopted fiscal year 2003 suballocations on 17 June 2003. These “302(b)” suballocations (named for the section of the Congressional Budget Act that requires their publication) show how the Appropriations Committee plans to distribute budget authority [BA] among its 13 spending bills so that collectively they do not exceed the total level of discretionary spending set by the budget resolution.

The suballocations distribute \$784.675 billion in discretionary BA provided for by the conference agreement on the budget resolution for fiscal year 2004 (H.Con.Res. 95). The budget resolution arrived at that level as follows:

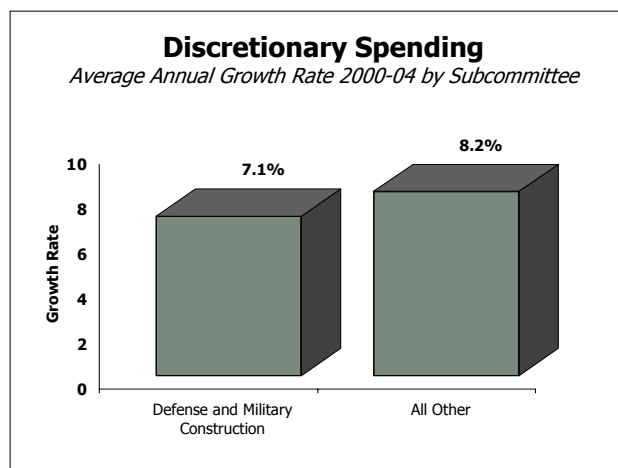
1) it began with the Congressional Budget Office [CBO] reestimate of the President’s budget, \$786.6 billion; 2) it then subtracted \$2.2 billion in increased fiscal year 2004 advance appropriations above the limit set in the budget resolution; 3) finally, it added \$215 million provided by the Iraq conflict supplemental (Public Law 108-11).

In addition, the suballocations will be increased by \$890 million in budget authority for the Biodefense Countermeasures [Bioshield] initiative. This amount was held in reserve in the budget resolution. The Chairman of the Budget Committee will release the funds after the Homeland Security appropriations bill is filed.

COMPARISON WITH CURRENT SPENDING

As shown in Table 1, on the next page, the budget resolution allocation allows a spending increase of 2.5 percent above CBO’s estimate of fiscal year 2003 spending (which does not include the Iraq conflict supplemental). This overall increase in the rate of spending is similar to the projected 2.1-percent rate of inflation. The allocation for the Appropriations Subcommittee on Homeland Security is 34.1 percent above current spending; the total allocations for the Defense and Military Construction subcommittees increase by 0.8 percent; total allocations for all other subcommittees rise by 2.3 percent.

The chart alongside shows the average annual growth rate for the 2000-04 period under the adopted suballocations. Spending for the Defense and Military Construction subcommittees will have increased at an average annual rate of 7.1 percent a year in each year of the 2000-04 period; spending for the remaining nondefense subcommittees would increase at an average rate of 8.2 percent for the same time frame.



As shown in Table 2, on page 3, fiscal year 2004 discretionary spending of \$784.7 billion will be \$18.9 billion more than CBO’s fiscal year 2003 estimate of \$765.8 billion. CBO’s figure does not include changes in those

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mandatory programs that are regularly included in appropriation bills. These changes – such as the spending limitation in the Crime Victim’s Fund, which caps the

payout for this mandatory spending program at less than its level of projected spending – generate savings that offset discretionary spending.

Table 1: Comparison of Growth by Subcommittee
(budget authority; millions of dollars)

Subcommittee	2003 Spending (excluding supp.)	FY 2004 House Appropriations Subcommittee 302(b) Suballocations ^a	Percentage Change from 2003	FY 2004 Administration Request ^b	Percentage Change from 2003
Defense and Military Construction	374,789	377,858	0.8	380,934	1.6
Homeland Security	21,267	28,521	34.1	27,329	28.5
All Other	369,740	378,296	2.3	376,367	1.8
Total	765,796	784,675	2.5	784,630	2.5

^a Does not include \$890 million for Bioshield.

^b Does not include \$2.244 billion in increased advance appropriations.

COMPARISON WITH THE ADMINISTRATION REQUEST

The total amount of discretionary appropriations allowed by the budget resolution is equal to the amount requested by the President, but below CBO’s reestimate of the President’s fiscal year 2004 budget. This occurred due to the following sequence of events.

The administration’s budget, submitted in February, did not provide for an increase in fiscal year 2004 advance appropriations; and at that time, all Federal agencies other than the Department of Defense were funded by a continuing resolution that held fiscal year 2003 appropriations at 2002 levels.

After the President’s budget submission, Congress and the President enacted the fiscal year 2003 consolidated appropriations resolution (Public Law 108-7). This measure increased advance appropriations for fiscal year 2004 by \$2.2 billion above the amount provided by the fiscal year 2003 budget resolution adopted by the House and deemed to be binding as a conference report (the Senate failed to pass a budget resolution for fiscal year 2003). CBO counts advance appropriations as spending in the year in which they first become available for obligation (which in this case would be fiscal year 2004). This had the effect of increasing, by \$2.2 billion, the base upon which CBO estimated the President’s request for 2004. CBO therefore estimated the cost of the President’s 2004 request to be \$2.2 billion higher than recommended by the administration.

In crafting the fiscal year 2004 budget resolution, Congress returned to the policy in place since 2000 – holding the level of advances constant – and reduced (by \$2.2 billion) CBO’s reestimate of the President’s request to reflect that the increase in advance appropriations was not included.

The suballocations released on 11 June 2003 by the House Appropriations Committee Chairman indicate that the committee plans to shift fiscal year 2004 advance appropriations back into fiscal year 2003, as regular appropriations. That would reduce CBO’s estimate of the President’s request. More important, however, it would cause the Appropriations Committee to breach its 2003 allocation, in violation of the Budget Act.

As shown in Table 1, the 302(b) allocations allow growth at the same rate as in the President’s request. Overall, the President’s fiscal year 2004 budget requested more money for Defense and Military Construction; the Appropriations Committee’s 302(b) allocations provide more resources for Homeland Security and other non-defense subcommittees.

Specifically, the Appropriations Committee makes the following changes to the President’s budget request for fiscal year 2004:

- *Defense:* The Appropriations Committee’s fiscal year 2004 suballocation is \$4.4 billion more than fiscal year 2003, and \$3.2 billion less than proposed by the

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President. With this suballocation, spending on this bill will have increased an average of 7.2 percent a year in 2000-04 (excluding Military Construction).

- *Foreign Operations:* The Appropriations Committee would spend \$1.8 billion less than requested by the President. The President asked for a fiscal year 2004 increase of 16.4 percent for programs such as the proposed Millennium Challenge Account (\$1.3 billion) and an increase in International Security Assistance (\$891 million). The House Appropriations Committee allows a 5.5-percent increase. With this subcommittee allocation, spending on this bill will have increased an average of 1.3 percent a year in 2000-04.
- *Homeland Security:* The Appropriations Committee allocates \$1.2 billion more than requested by the President for the Department of Homeland Security. In addition, the Homeland Security Subcommittee plans to appropriate \$890 million for the Bioshield program.

Section 404 of H.Con.Res. 95, the fiscal year 2004 budget resolution, permits the House Budget Committee Chairman to revise the allocation for the committee providing the new budget authority for this program. The fiscal year 2004 allocation for Homeland Security – excluding the additional Bioshield funds – is \$7.3 billion more than the fiscal year 2003 CBO estimate, a 34.1-percent increase.

- *Labor, HHS, Education:* The committee allocates \$448 million more than the CBO reestimate of the President's request. Fiscal year 2004 spending will be \$6 billion more than the fiscal year 2003 CBO figure. With this subcommittee allocation, spending on this bill will have increased an average of 12.2 percent a year in 2000-04.

Table 2, below, compares the fiscal year 2003 spending, the fiscal year 2004 CBO reestimate of the President's request, and fiscal year 2004 House Appropriations Committee 302(b) subcommittee allocations.

Table 2: Comparison of FY 2004 Subcommittee Allocations
All Subcommittees
(budget authority; millions of dollars)

Subcommittee	2003 Spending (excluding supp.)	FY 2004 CBO Reestimate of President's Request	FY 2004 House Appropriations Subcommittee 302(b) Allocations	Difference 302(b) Less 2003 Spending	Difference 302(b) less CBO Reestimate of the Request
Agriculture	18,096	16,784	17,005	-1,091	221
Commerce, Justice, State	39,201	37,673	37,914	-1,287	241
Defense	364,243	371,819	368,662	4,419	-3,157
District of Columbia	509	421	466	-43	45
Energy and Water	25,856	26,801	27,080	1,224	279
Foreign Operations	16,227	18,889	17,120	893	-1,769
Homeland Security ^a	21,267	27,329	28,521	7,254	1,192
Interior	19,463	19,555	19,627	164	72
Labor, HHS, Education	132,069 ^b	137,588	138,036	5,967	448
Legislative Branch	3,343	3,804	3,512	169	-292
Military Construction	10,546	9,115	9,196	-1,350	81
Transportation, Treasury	28,259	27,462	27,502	-757	40
VA, HUD	86,717	89,634	90,034	3,317	400
Total	765,796	786,874	784,675	18,879	-2,199

^a Does not include additional \$890 million for Biodefense Countermeasures in fiscal year 2004; Includes \$215 million in fiscal year 2004 mandatory programs approved in the wartime supplemental (Public Law 108-11).

^b Does not reflect House Appropriation Committee fiscal year 2003 \$2.2 billion advance appropriation adjustment to Labor-HHS-Education.

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